



## ILLINOIS HOUSING DEVELOPMENT AUTHORITY STANDARDS FOR ENVIRONMENTAL REVIEWS AND PROFESSIONALS

December 18, 2017

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As part of the Application for Multifamily Financing, the Illinois Housing Development Authority (IHDA) requires applicants to secure Phase I Environmental Reports from professional firms experienced in providing environmental reports, and capable of producing the desired services in a professional, timely and cost-conscious manner. All applicants must submit a Phase I document inclusive of the required forms noted below at the time of application. The Phase I Environmental Site Assessment (covering all Project Sites) shall be submitted to the IHDA portal at the time of Application, and the report must be dated within 3-months prior to the date of the Application.

The environmental firm selected by the applicant must meet the IHDA Standards for Environmental Reviews listed below, as well as the Supplemental Consultant Standards (attached as Appendix I).

### I. Scope of Services

The environmental firm selected by the applicant must comply with ASTM Standard E1527-13 (Environmental Assessment Standards and Risk Management Standards): <http://www.astm.org/Standards/E1527.htm>, as well as be familiar with the standards for various types of environmental remediation, as described at <http://www.astm.org/Standards/environmental-assessment-and-risk-management-standards.html>. Also, all Phase I documents produced for IHDA-funded projects must include the items listed below under Section II which may not be within the basic services scope of a traditional Phase I report. The report must be provided in the proper format as listed below, and include the proper backup documentation for each item as specified by the *HUD Exchange* Environmental review website: <https://www.hudexchange.info/programs/environmental-review/>.

The information below is intended as a guide for applicants to assist in the selection of environmental firms/professionals to be used on IHDA funded projects. It is the responsibility of the applicant to make their own determination regarding the capability, competence and/or limitations of a service provider. IHDA reserves the right to change or waive any of the requirements below and reject any submitted environmental assessment if it does not meet with the minimum requirements listed in the next section.

### II. Format (Phase I)

All environmental documents/reports prepared for IHDA must follow the format specified in ASTM Standard E1527-13. Requests to alter the specified format should be directed to one of the individuals listed at the end of these guidelines. In addition to the ASTM requirements, the body of the Phase I ESA must address all of the items listed below by providing a professional opinion or recommendation as to the effect of the items below on the site, and indicate if additional research and/or testing is required. Even though some of the items are not within a base service requirement relative to the ASTM E1527-13 standards, they are still required to be addressed as a condition of IHDA funding.

For ALL items, please refer to the *HUD Exchange* Environmental review website for specific guidelines regarding the precise backup documentation that is required by HUD for each topic. HUD's ASTM fact sheet of changes to the ASTM E1527-13 standard is attached. EVERY topic must be addressed per HUD's guidelines: <https://www.hudexchange.info/programs/environmental-review/>. Additional information can be found using EPA's NEPAassist website at <http://www.epa.gov/compliance/nepa/nepassist>.

The Phase I **MUST** include the *HUD Environmental Assessment* form (see below link): <https://www.hudexchange.info/resource/3140/part-58-environmental-assessment-form/>

IT IS **MANDATORY** THAT ALL SOURCE DOCUMENTATION, REFERENCES, DATES, etc. be included as stated in the instructions on the form.

IHDA will be responsible for conducting both Tribal Consultation with affected Tribes and historic review through the Illinois Department of Natural Resources (IDNR). This process takes a minimum of 30 days. In order to ensure this process can be completed in a timely manner, the developer must submit all proper historic documentation as outlined in the Historic Preservation Checklist available on the IHDA website through the IHDA portal at the time of application.

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Color photographic documentation **MUST** be included for each relevant item; black and white photos are unacceptable.

(1) Zoning:

- (a) What is the current zoning?
- (b) Will the project necessitate a change in zoning?
- (c) What are the project's past and present land use(s)?
- (d) Is there any zoning change being considered that would impact this project?

(2) Utilities: Describe the available utilities and/or easements.

(3) Historic Preservation: Developer will provide the Historic Preservation Checklist and all required documentation associated with the checklist to IHDA. IHDA will be responsible for submitting this information along with a cover letter to IDNR. If the property is found to be listed in the Federal Register of Historic Places or is eligible to be listed the developer will be required to perform additional reports for IDNR. Should we take old info out below since we will be submitting the package to IDNR on our own. It makes it seem they have to still put this in the PHASE I. Is the property/building listed in the Federal Register of Historic Places, located in a local historic district or have historic significance? Attach a map from HARGIS or equivalent (color map of the area with the site labeled clearly on the map, but only if HARGIS is unavailable). If "yes," attach a map of local historic district or information on Federal Register listing. Be aware, if the area has not been properly surveyed, the developer will be responsible for completing all surveys required by the Illinois Historic Preservation Agency (IHPA).

(4) Floodplain: Provide the flood zone designation. Attach a FEMA FIRM Map or a FIRMette of the area with the site located in outline (ie, not an arrow). The Application must include a Federal Emergency Management Agency ("FEMA") floodplain map for the Project area with the boundaries of the Project site clearly delineated.

FEMA floodplain maps can be obtained from the FEMA website.

If any portion of the Project site is located within the 100 year floodplain or floodway, the Application must include one or both of the following as applicable:

(a) Rehabilitation

Projects proposing the rehabilitation of existing buildings must submit a site plan that clearly indicates all of the following:

- 1) The FEMA determined elevation of the floodplain or floodway; and
- 2) The elevation of the lowest floor level in the existing buildings; and
- 3) The location of the existing buildings.

Note: Projects involving the rehabilitation of existing buildings on sites located in the 100-year floodplain or floodway will ONLY be permitted if the lowest existing floor elevation of each building in the floodplain is at least six (6) inches above the FEMA designated floodplain elevation.

(b) New Construction

Projects proposing new construction must submit a site plan that clearly indicates all of the following:

- 1) The FEMA determined elevation of the floodplain or floodway; and
- 2) The elevation of the lowest floor level in the proposed buildings; and
- 3) The location of the proposed buildings.

In addition, the Application must include:

- 1) A FEMA Conditional Letter of Map Amendment ("CLOMA") or FEMA Conditional Letter of Map Revision ("CLOMR") for the Project site that shows the site is eligible for reclassification out of the floodplain; and
- 2) Evidence that the Project is eligible for flood insurance and that such insurance will be in place if awarded funding from the Authority until FEMA amends the flood plain map and the Authority determines the Project is no longer in the floodplain.

(5) Wetlands / Drainage:

- (a) Is the site location in or near a wetland? Is the site within the jurisdiction of the Army Corps of Engineers? Attach a color wetlands map.
- (b) Does water accumulate on or near the site or does water run through or near to the site in the form of a creek or stream at any time during the year? Are any types of hydrophilic plants present?
- (c) Does the project impact or is it located near a drainage way (creek or stream bed) of a water shed that drains an area of more than one square mile? If applicable, a drainage permit from the Illinois Department of Natural Resources will be required before construction can begin.
- (d) Is the site on or near a drainage way of a water shed that drains an area of more than one square mile?

(6) Noise:

- (a) Is the project site located within 3,000 feet of a railroad? If "yes": provide the name and address of the railroad company, contact person, and telephone number.
- (b) Is site located within 1,000 feet of a major road, highway, or freeway? If "yes": name road(s).
- (c) Is the project site located within 15 miles of a military airport or within 2500 feet of a civilian airport?
  - If within 15,000 feet of a military airport, a map showing the site is not within a designated APZ or a letter from the airport operator so stating.
  - If within 2,500 feet of a civilian airport, a map showing the site is not within a designated RPZ/CZ or a letter from the airport operator stating so and provide the name and address of the airport, contact person, and telephone number.
- (d) Is the project site located near (one mile radius) of any other noise generating source (e.g. industrial plant)? If "yes": provide the name and address of company, contact person, and telephone number. Also, if "yes" to any of the above, an additional noise survey or assessment is required in compliance with 24CFR 51, subpart B.
- (e) If the answer to any of the above is "yes," calculate the decibel levels for the project using the DNL Calculator at HUD's site: <https://www.hudexchange.info/environmental-review/dnl-calculator/>.

(7) Hazards:

- (a) UST/AST: Is the project site located near or in an area where conventional petroleum fuels (e.g., gasoline), other hazardous liquids or gases, chemicals of a flammable nature (e.g., benzene or hexane) or any other potentially hazardous materials are stored in a structure, an above-ground storage tank or an under-ground storage tank? What is the geology of the area? Are

unconsolidated soils present? Will the geology of the area (ie, porosity and permeability of the soils) impact migration of hazardous substances?

(b) PCBs: Is the project site located near or in an area where gas pipelines, electrical transmission lines, electrical towers or electrical sub-stations are located?

(c) Asbestos: Is there any evidence of asbestos-containing materials at the site? Indicate location(s) and extent of affected readily accessible areas.

(d) Lead: Is there any evidence of lead-based paint at the site? Indicate location(s) and extent of affected readily accessible areas.

(e) Mercury and other heavy metals: Is there any evidence of mercury (e.g., old thermostats) or other heavy metals at the site? Indicate location(s) and extent of affected readily accessible areas.

(f) Seismic: Provide the seismic zone information. Are there any natural hazards located on, adjacent to, or nearby the site, such as steep slopes, geologic faults, or hazardous terrain features?

(g) Mining: Is the project located near a mine or is the property located in a county affected by mining? Locate the project using the ISGS Coal Mines in Illinois Viewer at <http://www.isgs.illinois.edu/ilmines>.

(h) Mold: Is there any evidence of mold? Indicate location(s) and extent of affected readily accessible areas.

(i) Radon: Is there evidence of elevated radon levels? Indicate the radon zone for the site according to the EPA. Plans may need to show evidence of a passive/future active venting system.

(j) Vapor Intrusion: Have volatile chemicals migrated into the structure in gaseous form?

(8) Other Hazards:

(a) Is the project site located on or near a waste dump or landfill site?

(b) Is the project site near an industry which disposes of chemicals or hazardous wastes on its own premises?

(c) Are barrels, drums and/or other containers of potentially hazardous chemicals present on the site?

(d) Is the project site located in an airport clear zone?

(9) Other Environmental Issues:

(a) Airport Hazards: Is the project within 15,000 feet of a military or 2,500 feet of a civilian airport. If so the need to show the project is not within a Runway Clear Zones(RCZs)/Runway Protection Zone(RPZs) for civilian airports, Clear Zones (CZs) for military airfields, and Accident Potential Zones (APZs) for military airfields. Please provide maps with project site identified in location to civilian and military airports.

(b) Coastal Barrier Resources: There are no units of Coastal Barrier Resources Systems in Illinois. Please print out page from the CBRS website as documentation.

(c) Clean Air Act: How will the project impact air quality as described by the Clean Air Act? (d)

Coastal Zone: Is the site located within the Coastal Zone?

(e) Endangered and Threatened Species: Does the project affect federally-listed or -proposed threatened and endangered species, or designated or proposed critical habitats? Provide a letter or other documentation from US Fish and Wildlife Service (website determination/screen shot of "no impact" is sufficient), and an evaluation based on the EcoCAT website.

(f) Farmland: Is the site or area presently being farmed, forested, or being used as croplands? How does this relate to the current zoning of the site?

(g) Sole Source Aquifer: Is the site located within an area designated as being supported by a sole source aquifer?

(h) Wild and Scenic Rivers: Is the project located near a designated wild and scenic river? Please provide map of project site identified in location to a wild and scenic river. Can utilize the Wild and Scenic River website.

(i) Environmental Justice: Is there any reason to suspect that Environmental Justice could be an issue at or near this site

(h) Tribal Interest: To be addressed by IHDA Possibly take out since this is addressed above?

Neither the environmental firm nor the environmental professional/Phase I consultant is released from identifying additional potential environmental issues on the property by addressing the items above.

Additionally, IHDA must be explicitly addressed as being able to rely on the Phase I.

### **III. Format (Phase II)**

Occasionally, IHDA will require a more detailed review of one or more aspects of the project be submitted. This is a Phase II or a Limited Phase II. Such documents must follow the format and style established in ASTM Standard E1903-11.

### **IV. Professional Qualifications**

Per the National Archives and Records Administration Electronic Code of Federal Regulations, Subpart B -- Definitions and References, an Environmental Professional is defined as (Section 312.10):

- (1) a person who possesses sufficient specific education, training, and experience necessary to exercise professional judgment to develop opinions and conclusions regarding conditions indicative of releases or threatened releases (see §312.1(c)) on, at, in, or to a property, sufficient to meet the objectives and performance factors in §312.20(e) and (f).
- (2) Such a person must:
  - (a) Hold a current Professional Engineer's or Professional Geologist's license or registration from a state, tribe, or U.S. territory (or the Commonwealth of Puerto Rico) and have the equivalent of three (3) years of full-time relevant experience; or
  - (b) Be licensed or certified by the federal government, a state, tribe, or U.S. territory (or the Commonwealth of Puerto Rico) to perform environmental inquiries as defined in §312.21 and have the equivalent of three (3) years of full-time relevant experience; or
  - (c) Have a Baccalaureate or higher degree from an accredited institution of higher education in a discipline of engineering or science and the equivalent of five (5) years of full-time relevant experience; or
  - (d) Have the equivalent of ten (10) years of full-time relevant experience.
- (3) An environmental professional should remain current in his or her field through participation in continuing education or other activities.
- (4) The definition of environmental professional provided above does not preempt state professional licensing or registration requirements such as those for a professional geologist, engineer, or site remediation professional. Before commencing work, a person should determine the applicability of state professional licensing or registration laws to the activities to be undertaken as part of the inquiry identified in §312.21(b).
- (5) A person who does not qualify as an environmental professional under the foregoing definition may assist in the conduct of all appropriate inquiries in accordance with this part if such person is under the supervision or responsible charge of a person meeting the definition of an environmental professional provided above when conducting such activities.

Relevant experience, as used in the definition of environmental professional in this section, means: participation in the performance of all appropriate inquiries investigations, environmental site assessments, or other site investigations that may include environmental analyses, investigations, and remediation which involve the understanding of surface and subsurface environmental conditions and the processes used to evaluate these conditions and for which professional judgment was used to develop opinions regarding conditions indicative of releases or threatened releases (see §312.1(c)) to the subject property.

### **V. Ethics**

The Code of Ethics and Standards of Practice for Environmental Professionals from the National Association of Environmental Professionals shall apply to all individuals providing environmental services for IHDA projects. The Code can be found at <http://www.naep.org/code-of-ethics>.

## **VI. Fee Basis**

Fees for all cost and expenses related to the performance of the scope of services shall be determined between the firm and the applicant. The applicant is responsible for payment of fees and entering into a written agreement with the selected firm. Kickbacks or incentives for procuring inflated values will not be permitted.

IHDA shall review the environmental assessment/Phase I fees associated with the development to insure they are proper, fair and reasonable. IHDA has evaluated the fees from past IHDA-financed projects, and offers the following maxima for each type of service (please be aware that IHDA recommends quoting fees that are no more than 75% of these maxima, unless justified in a written narrative):

|   |                                  |
|---|----------------------------------|
| Phase I (including all non-scope items listed above): | \$10000                          |
| Phase II (single subject, exclusive of topics below): | \$4000                           |
| Asbestos Study:                                       | \$4000                           |
| Lead Study:   | \$500/unit, not to exceed \$4000 |
| Noise Study:  | \$4000                           |
| Soils Study (including Subsurface Sampling)           | \$10000                          |
| Update letter:  | \$2500                           |
| Updated Phase I:                                      | \$5000                           |

\*\*Questions regarding the above services should be directed to Amy Coyne or Tak Louie below.

## **VII. Questions and Contact**

Questions regarding IHDA's Environmental Standards should be addressed to:

- Amy Coyne, *Environmental Specialist*  
(312) 836-7485 [acoyne@ihda.org](mailto:acoyne@ihda.org)
- Tak Louie, *Manager, Architecture and Construction Services*  
(312) 836-5369 [toluie@ihda.org](mailto:toluie@ihda.org)

## Appendix 1



# ILLINOIS HOUSING DEVELOPMENT AUTHORITY SUPPLEMENTAL PROFESSIONAL SERVICES FIRM REQUIREMENTS

August 2012

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As part of the Application for Multifamily Financing, the Illinois Housing Development Authority (IHDA) requires applicants to secure studies from professional services firms experienced in providing cost estimating services, market studies, Phase I Environmental studies, Rent Comparability Studies, and Property Needs Assessments.

The professional services firms selected by the applicant must meet the Supplemental Consultant standards listed below along with the standards for each discipline as found on the IHDA website.

The information below is intended as a guide to applicants in the selection of consultants to be used on IHDA funded projects. It is the responsibility of the applicant to make his/her own determination regarding the capability, competence and/or limitations of a consultant. IHDA reserves the right to change or waive any of the requirements below and reject any studies.

### **I. Minimum Qualifications**

Professional services firms selected and retained by applicants must be registered with the Illinois Department of Revenue to conduct business in Illinois and not be debarred, suspended or otherwise prohibited from professional practice by any Federal, State or Local Agency.

The selected firm is required to have been in business for a minimum of five (5) years and must demonstrate knowledge and related experiences with regard to preparation of studies for affordable housing projects using federal, state and city funds.

The professional services firm must supply the applicant with documentation of the firm's professional qualifications, including: Illinois Department of Revenue registration, resumes of key members assigned to the project demonstrating a minimum of ten (10) years' experience in the design, development and/or construction of affordable housing.

### **II. Minority Procurement Efforts**

The applicant is required to make a proactive effort in selecting and retaining qualified firms certified as Minority Business Enterprise (MBE), Disadvantaged Business Enterprise (DBEs) and Women Business

Enterprise (WBEs) whenever possible. The applicant is required to verify any selected MBEs, MBEs and WBEs are registered and have a valid certification number.

### **III. References**

The selected firm must supply the applicant at least three (3) professional references pertaining to the firm's experience in performing consultant services for projects of a similar type, scale, and complexity.

### **IV. Fee Basis**

Fees for all cost and expenses related to the performance of the scope of services shall be determined between the professional services firm and the applicant. The applicant is responsible for payment of fees and entering into a written agreement with the selected professional services firm. Kickbacks or incentives for procuring inflated values will not be permitted.

IHDA shall review the fees associated with the development to insure they are proper, fair and reasonable. IHDA has evaluated the fees from past IHDA financed projects. As such, the fees listed in each specific consultant standard reflect the maximum percentage IHDA will accept as a reasonable fee for services. Higher fee are acceptable but the owner/developer will be responsible to pay the difference between the higher fees and the fees indicated in the individual consultant standards.

### **V. Insurance**

The selected firm must supply the applicant with proof of Professional Liability insurance with a policy limit of \$1,000,000 per occurrence and \$2,000,000 excess umbrella and must submit a copy of the certificate to IHDA. The applicant will determine and notify the applicant of any additional parties, if required prior to contract issuance. Selected firms must not allow their liability insurance to expire or cancel for any reason during the contract period.

### **VI. Conflict of Interests**

Professional firms selected to perform services shall not have any direct or indirect interest in any property to be evaluated. IHDA reserves the right to determine necessary actions to eliminate or neutralize any conflict discovered after an applicant secured a professional firm to provide this service.

The professional services firm shall certify that no undue pressure or collusion with the client or their representatives exists in the determination of the study. The study certification shall also state that all information and procedures used to establish the study were from factual data and prepared in a professional manor.

The study must include a statement from the individual signing the study that there is no identity of interest between the signatory and any member of the development team. If any member of the development team or ownership has an identity of interest with the entity providing the study, the identity of interest relationship must be disclosed.

Failure to disclose any organizational conflict of interest may result in rejection of the application and/or the study by the professional firm with the conflict and request of a study from a different firm at applicant's expense.

## Fact Sheet #ASTM

### **Updates on the applicability of recently adopted ASTM E 1527-13 Phase I ESA standard to HUD environmental reviews**

#### Updates from previous Phase I E-1527-05

- *Recognized environmental condition* was simplified and clarified to help bring greater consistency to the identification of RECs
- *Historical REC* was clarified to exclude any REC. Under the E 1527-13 version, an HREC is a condition that was in the past, but is not now, a REC.
- *Controlled REC* definition was developed to categorize certain RECs as currently managed to a regulatory standard that does not permit unrestricted property use. This is designed to replace the use of HREC for conditions that require continued management or restrict possible uses.
- *De minimis condition* was clarified to make clear that RECs that require management or restrictions on use are still RECs.
- *Migration* was defined, clarifying that hazardous waste or petroleum products in vapor form must be evaluated as part of the Phase I ESA.

**Authority:** 24 CFR Part 50.3(i), and 58.5 (i)

**Purpose:** To provide specific guidance on the updates to the recently adopted ASTM Phase I ESA standard that are most relevant for HUD environmental reviews, and to explain how those updates apply to HUD environmental reviews.

**A Phase I ESA studies previous uses of the property:**

- Chain of title
- Aerial photographs
- Reviews government records
- Visual site inspection
- Identifies environmental concerns
- Makes recommendations

#### Applicability to HUD Environmental Reviews

HUD requires the performance of a Phase I ESA in accordance with ASTM E 1527 as part of environmental reviews in many of its programs, including all Federal Housing Administration (FHA) programs. ASTM International recently adopted ASTM E 1527-13, an updated version of ASTM E 1527-05. The updated version incorporates a few items which are significant for HUD's environmental reviews.

The identification of Controlled Recognized Environmental Conditions in the Phase I ESA will alert HUD staff and RE's to sites which have controlled contamination on site but may need further remediation to reach residential standards.

The migration definition includes hazardous waste or petroleum products in vapor form. This change will not impact program requirements in the FHA as most FHA programs already require that a Vapor Encroachment Survey be performed in accordance with ASTM E2600-10 and that it be included in the Phase I ESA. However, it does change the context of that requirement in that a Vapor Encroachment Survey is now required to also satisfy the ASTM E1527-13 Phase I ESA requirements. The migration definition may result in changes to the information submitted in a Phase I ESA in other HUD Offices where a Vapor Encroachment Survey was not already a program requirement.

## **Fact Sheet #ASTM**

***NEED ADDITIONAL HELP?***

CONTACT YOUR LOCAL HUD ENVIRONMENTAL OFFICER,

<https://www.onecpd.info/environmental-review/hud-environmental-staff-contacts/>.